

Issuer: Regal International Group Ltd.

Security: Regal International Group Ltd.

Meeting details:

Date: 21 April 2017

Time: 10:00H

Venue: Six Battery Road #10-01 Singapore 049909

Company Description

Regal International Group Ltd., an investment holding company, engages in the property development, investment, and construction activities in Singapore, Malaysia, and the People's Republic of China. Its property portfolio includes shop houses, terrace houses, landed properties, condominiums, and commercial and industrial units, as well as residential properties. The company also develops, constructs, and trades in construction materials; rents machineries; supplies concrete and concrete products; and provides mortgage consultancy services, and steel and painting works. In addition, it offers logistics services. Regal International Group Ltd. has strategic partnerships with OmniNet Technologies Pte. Ltd. to market and develop e-logistics services and products; and MyAngkasa Bina Sdn. Bhd. for marketing and underwriting residential units. The company is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=UV1)

Q1. In the Executive Chairman & CEO's Message (page 4 of the annual report), it was highlighted that the group's revenue from property development grew RM149.0 million in 2016 and gross profit margin for 2016 was RM40.0 million. It was further added that healthy sales were achieved for several projects such as Tropics City and Airtrollis.

Based on the Project Portfolio Highlights (page 12), the following projects were completed in 2016:

- 72 Residences (Block A), Serapi Maju, Haziiq Ria, Tondong Heights (Phases 1 & 3), Ashraf Avenue 2

In Note 22 (page 115 – Inventories), completed properties (as part of inventories) have increased from RM15.6 million in 2015 to RM30.3 million in 2016.

- a) **Can management let shareholders know the number of unsold units in each of the project?**
- b) **What are management's plans to market these unsold units?**

The following projects will be completed in 2017 or later:

- 72 Residences (Block B), Tondong Heights (Phase 2), Tropics City, Regal Corporate Park, Regalia, Treetops@Kemena, Airtrollis, Malihah Shophouse, Rafflesia Garden, Million Gifted 1 & 2

- c) **Can management provide shareholders with an update on the gross development value, the launch/completion dates, the number of units and the percentage sold?**

Q2. The group has explored many opportunities and has signed Memorandums of understanding ("MOUs") with like-minded individuals and organisations.

- a) **Can management update shareholders on the stage of negotiation with the potential partners of the following:**
 - Twin Revenue Sdn Bhd in property development
 - iBosses Pte Ltd in developing an Islamic Entrepreneurship program in Malaysia
 - (Heads of Agreement) China - Malaysia Qinzhou Industrial Park Administrative Committee to develop property projects (related to halal certification and use)
 - SINAD Sports Pte Ltd in asset management
 - Three parties to own, develop and operate a resort cum master planned vacation community
 - Malaysia Innovation Hub to develop new industries and new job opportunities, as well as the commercialisation of product research and development
- b) **Is there sufficient management depth in the group to carry out such diverse and numerous activities at the same time?**
- c) **How would all these MOUs tie in with the overall group's strategic direction? Is there a risk that the group will be spreading itself too thin?**

Q3. As part of the group's intended growth and expansion, the group has set up four new subsidiaries in Singapore - Regal Global Logistics Pte. Ltd., Regal Global Capital Pte. Ltd, Regal Asset Management Pte. Ltd. and Regalia Properties Pte. Ltd.. As seen in the Group Structure (page 17), other than Regal Global Logistics, the other three newly formed subsidiaries are 70%-75% owned by the group.

The group had made separate disclosures announcing the incorporations of these subsidiaries between 10 October 2016 and 4 November 2016. However, in those announcements, the minority shareholders of the non-controlling interests were not identified.

- a) **Can the group disclose the profiles of these minority shareholders in the new subsidiaries? Are they strategic partners or are they purely financial investors?**
- b) **If they are strategic partners, can the group update shareholders on who these strategic partners are and what value-add can they bring to the subsidiaries?**
- c) **Can management provide further elaboration on the strategic direction of Regal Global Capital and Regal Asset Management?**